



USAID
FROM THE AMERICAN PEOPLE

AFGHANISTAN

Agriculture

Fall 2009



Photo: USAID/Afghanistan

A farmer tends his crops in a greenhouse built through a USAID-supported project in Herat.

AGRICULTURE SNAPSHOT

- In FY 2009, provided more than 52,300 agricultural loans (49 percent to women), with a repayment rate of 94 percent.
- Established more than 600 veterinary field units. By the end of 2008, they provided more than 31 million vaccinations and treatments to livestock.
- During FY 2009, increased water supply to an additional 58,000 hectares of agricultural land.
- During FY 2009, 161,149 men and women received training in improved farm and business skills.

Data as of November 2009

U.S. Agency for International Development
www.usaid.gov

BACKGROUND

An estimated 85 percent of Afghans are dependent on agriculture and related agribusinesses for their livelihoods. While poppy production and the opium trade have a significant monetary share of the country's agricultural economy, both this share and the number of farmers growing opium continue to decline. Farmers are taking advantage of opportunities to produce and market alternatives to opium. Licit commercial agriculture is playing a significant role in increasing the income of rural populations, who now recognize that the opium trade is destabilizing, contributes to insecurity and the insurgency, and undermines rule of law.

PROGRAM OVERVIEW

USAID manages programs that improve agricultural production, agribusiness development, watershed and irrigation improvement, and government capacity to provide services and a business enabling environment for the private sector. The two broad goals of the new USG Agriculture Strategy for Afghanistan are to increase jobs for and sales by Afghan farmers, herders, and businesses and to increase the confidence of the Afghan people in their government.

Prior successes in the field of alternative development have helped to increase the number of poppy-free provinces to 20 in 2009. Maintaining and building on these success requires broadening USAID's work to reach farmers, agribusiness, and government service providers across Afghanistan, not just those in poppy-prone provinces. USAID provides the materials, technology, and expertise necessary to produce, process, and market high-value crops. USAID is also improving watershed management and irrigation, farm-to-market roads, and marketplace infrastructure. Finally, USAID provides business and skills training, facilitates access to credit, helps to develop new markets, and streamlines constraints that hinder growth.

RE-DEVELOPING AFGHAN AGRICULTURE

The excellent reputation of Afghanistan's almonds, pomegranates, pistachios, grapes, and apricots, among other crops, is still widely recognized and offers the best hope for rebuilding and expanding licit agriculture. When farmers are convinced to replant and nurture permanent tree and trellis crops, they effectively break the cycle that otherwise keeps them mired in the yearly option to return to poppy. Farmers do not rip out trees or vineyards to plant poppy, and if supported through this transition to permanent licit crops, the cycle for that farmer is broken. Over the past eight years, high-value fruit and nut production has increased significantly despite the ongoing conflict. This is already helping to re-establish the necessary market linkages for future increases in production, processing, and marketing of Afghan agricultural products.

In FY 2009 alone, USAID trained more than 160,000 farmers across Afghanistan on improving crop yields, financial management and business skills, and produce storage. USAID helps Afghan firms establish shipments of fresh produce such as apples to India and pomegranates to Dubai, improves dried fruit and nut processing plants, and provides marketing advice to expand trade opportunities.

Since many rural Afghans raise livestock as well as crops, USAID offers animal health training to boost the poultry and livestock populations as well as training on proper harvesting and marketing of animal products such as cashmere.

CONTINUES >



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Alternative Development and Agriculture (continued)



Photo: USAID/Afghanistan

A woman places peppers out to dry (top). USAID has trained more than 500 widows to establish small businesses and has extended loans to 21,000 women-owned businesses. Shopkeepers selling local produce (bottom).



Photo: USAID/Afghanistan

USAID provides training for para-veterinarians, who have established more than 600 sustainable, private veterinary field units (VFUs) across the country.

EXTENDING AGRICULTURAL FINANCIAL SERVICES AND CREDIT

Afghan farmers need financing to buy quality seeds, fertilizer, and equipment. USAID is helping to restore banking and credit services to rural lenders, which now administer loans in nearly two-thirds of the country's provinces. As of September 2009, more than 52,300 agricultural loans, ranging from approximately \$200 to \$2 million have gone to small businesses with a repayment rate of 94 percent. Of these, 49 percent of loans have gone to women-owned businesses and 27,700 borrowers are women. The program's success has encouraged commercial banks to extend revolving loans for agribusinesses. Funds have been provided for leases and to promote agro-processing and support for crop exports.

With these successes, USAID is expanding support for agricultural financial services and credit. Building this capacity will be a long-term endeavor if it is to be both economically viable and sustainable. In the interim, USAID has helped pioneer an agricultural voucher system for Afghanistan, modeled on successful programs in Africa. Vouchers allow qualified farmers to purchase seed, fertilizer, and other supplies from local shops at significantly reduced prices. The voucher system helps to offset the lack of credit available to farmers and increases food production and the use of innovative or alternative crops and techniques.

BOOSTING INCOME FOR WOMEN

Due to cultural limitations on women's participation in typical agriculture activities, USAID has developed innovative solutions to reach more women. While most women are precluded by their families and communities from working outside the home, hiring women to cook for laborers from their homes has provided needed income for many women. Other activities specifically targeting women beneficiaries around the country include women-owned dairy processing units, women-in-business training programs, nurseries, and greenhouses.

PRESERVING THE ENVIRONMENT

Improving watersheds and preserving the environment in Afghanistan are critical to increasing water resources for agriculture and critical to achieving and maintaining peace. Since environmental degradation is a core reason for declining agricultural productivity, activities that promote tree planting and better water management reduce soil erosion and increase water retention and habitat conservation. This, in turn, increases productivity for both farms and rangelands and reduces conflict over diminishing resources.

INSTITUTIONAL DEVELOPMENT

USAID maintains links between Afghan universities, agriculture and veterinary schools, U.S. land grant universities, and the U.S. Department of Agriculture (USDA), allowing technical specialists to share their expertise with Afghan faculty and students. Technical advisors provide training about livestock health, sanitation, rangeland management, forestry, and biodiversity conservation. In partnership with USDA, USAID also provides assistance to build the capacity of the Ministry of Agriculture, Irrigation and Livestock (MAIL) to make it more responsive to farmers' needs. With USAID assistance, MAIL is expanding agricultural extension services and agricultural land lease, and is helping Afghan farmers and businesses to sell their produce at local markets and export abroad.

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